

*Measure Slashes \$25 Billion in Funding for Department of Energy Loan Guarantees, Revokes Commitment to Montgomery Clean Energy Business*

*Washington, DC* - The Republican budget proposal on the House floor this week would kill the Talyor Biomass Energy project underway in Montgomery, NY and cost the jobs of more than 400 construction and permanent employees while stunting economic growth throughout the region. Two months ago, Congressman Maurice Hinchey (D-NY) stood shoulder to shoulder with Montgomery, New York small businessman Jim Taylor and other local, state and federal officials as ground was broken on phase 1 of a state of the art biomass energy plant that will create hundreds of jobs and spur economic growth throughout the region. The Republican budget proposal, however, would rescind the funds for the Department of Energy Loan Guarantee that Taylor Biomass is relying on to finance this project.

After investing millions in private start-up costs and working for more than two years with Hinchey and federal officials for approval of key loan guarantees for its innovative energy project, Taylor Biomass is 60 to 90 days away from receiving the \$100 million in loan guarantees it was promised last year. The revocation of Taylor's loan guarantee would only save \$1 million based on estimates by the Congressional Budget Office.

"This is a disastrous bill that will kill more than 400 private sector jobs, damage the Orange County economy, and hurt a local small business," said Hinchey "I have been working for years to help initiate this project, but now the Republican spending bill takes back the loan guarantees that were already promised. Taylor Biomass has already broken ground on this project and invested substantial amounts of private capital already. Local workers are already at work preparing the construction site. This is a direct and tangible impact of the thoughtlessness and recklessness involved with this bill. No economic studies were conducted to determine how it would hurt the country. No hearings were convened to determine the impact on local jobs. These are the facts and we need to stand together and stop this job-killing bill."

Over the past two years, Hinchey and Senator Charles Schumer (D-NY) worked with officials at Taylor Biomass to urge the U.S. Department of Energy to award the project a \$100 million loan guarantee to make the innovative green energy initiative possible. In August 2010, Taylor Biomass received notification that the project would receive the key loan guarantee pending a due diligence review, after both Hinchey and Schumer personally lobbied officials at the U.S. Department of Energy. In addition to the loan guarantee, the Taylor Biomass Project will also

benefit from a 30 percent federal grant for clean energy projects. Both the loan guarantee and grant program were made possible by the American Recovery and Reinvestment Act of 2009, which Schumer and Hinchey supported.

The bill before the House this week to continue funding the federal government would rescind all "unobligated" funds from the Department of Energy's clean energy loan guarantee program, with the exception of funds for nuclear energy projects. Funding has yet to be officially obligated for the Taylor Biomass project.

Taylor's proposed biomass gasification facility enjoys strong support from the community, including from Orange County, which has committed to direct its solid waste to the facility. In addition to creating local jobs, the plant would also help to increase local public revenues and lower the tax burden for residents in the Town of Montgomery and Orange County while providing significant positive direct and indirect economic impacts.

Taylor Biomass Energy has previously received funding for its project through the New York State Energy Research and Development Authority (NYSERDA) and has worked diligently with local and state agencies to move this important initiative forward. Taylor's current operation, in which the company recycles the large percentage of the construction and demolition debris it accepts, demonstrates the company's innovative approach to waste management and its longtime commitment to environmental sustainability.

Loan guarantees are an innovative approach that the federal government can use to support job growth in local communities while minimizing the use of taxpayer dollars. Under government loan guarantee programs, companies like Taylor Biomass go through an intensive vetting process during which the viability of the company's business plan is judged against factors like community interest and initial private investment. By guaranteeing the loan, the federal government spurs entrepreneurs to invest in the project because they know that their investment is safe.

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